

OJCS 1207-75

JUN 1975

MEMORANDUM FOR: Comptroller

THROUGH : Deputy Director for Administration

SUBJECT : Increase in FY 1973 Allotment to OJCS
[REDACTED]1. Request:

This memorandum contains a request for an increase in the FY 1973 allotment of funds to the Office of Joint Computer Support contract for development of a Mass Storage System. Such request may be found in paragraph 4.

2. Background:

a. In June 1973, the Agency entered into two contracts with [REDACTED] for a Mass Storage System. One of these contracts was a fixed price contract for the hardware subsystems and the other was a cost plus fixed fee contract for developmental work concerned with designing the system, determining performance specifications, and producing the system software. The original total for these two contracts was [REDACTED]

b. Due to the developmental character of the [REDACTED] contract, it was necessary to begin the work using performance type specifications which evolved later into definitive design specifications. As we proceeded with the design and software development over the past two years, it became apparent that the software system was far more complex than originally anticipated and that the contractor had significantly underestimated the magnitude of the effort. While there has been no increase in the contract scope, the contractor has estimated that an additional [REDACTED] will be required to cover the additional work needed to complete the contract. The contractor has agreed to accept a ceiling on the contract price and absorb any additional overrun costs above the [REDACTED] figure. OJCS has funds of [REDACTED] available from its FY-75 budget for the Mass Storage System that can be applied to this overrun. The balance of [REDACTED] must come from other sources, and we propose the use of the Agency's unobligated FY 1973 funds.

c. This matter has been reviewed and approved by the Agency Contract Review Board.

3. Staff Position:

Contract renegotiations were conducted and we are prepared to amend the contract subject only to the approval of senior management and availability of funds. OJCS, with the advice of the Office of Logistics, recommends that this contract be amended as soon as possible. Prompt action in this manner will prevent increased costs that will result if the contractor stops work for an extended period of time and then encounters start-up costs.

4. Request:

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HARRY E. FITZWATER
Director of Joint Computer Support

CONCUR:

Deputy Director for Administration

Date

APPROVED:

DISAPPROVED:

Distribution:

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